

ORIGINAL



MEMORANDUM

RECEIVED

303m

TO: Docket Control
FROM: Ernest G. Johnson
Director
Utilities Division

2006 OCT 25 A 10: 36

AZ CORP COMMISSION
DOCUMENT CONTROL

DATE: October 25, 2006

RE: **MEMORANDUM TO ADDRESS TACNA WATER MANAGEMENT COMPANY REQUEST FOR AN EXTENSION OF TIME TO COMPLY WITH DECISION NO. 68658. Docket Nos. W-01344A-05-0183 and W-01344A-05-0647**

On June 30, 2006, Tacna Water Management Company filed a request for extension of time to comply with certain due dates set forth in Decision No. 68656.

The items that the Company is requesting an extension of time to comply with and complete are the Approval to Construct ("ATC") from the Arizona Department of Environmental Quality ("ADEQ"), the Arizona Corporation Commission requirement to file the annual report and the Water Infrastructure Finance Authority of Arizona ("WIFA") loan document completion.

Staff reviewed the Company's request and is making recommendations as follows. The annual report filing is not part of this Decision. The annual report was due to be filed by April 15, 2006. Therefore, Staff recommends additional time to complete the Annual Report filing and further recommends an extension of time to December 31, 2006. The WIFA loan document completion does not require an extension of time, because the filing with the Commission is due to be filed with the Commission's Docket Control sixty days after the completion of the signing of the loan documents by the Company and WIFA without any specific deadline.

Staff contacted Steve Kelland of Tacna Water Management Company on October 19, 2006, for the status of the ADEQ Approval to Construct. As stated by Tacna's hired consultant, Yuma County would not review water treatment plant plans for ADEQ and therefore, the arsenic treatment plans were sent to ADEQ for review and approval. According to Mr. Kelland, their consultant will need 3 more weeks to complete the review process with ADEQ. Therefore, Staff recommends additional time to complete the ATC process and further recommends an extension of time to December 1, 2006 for filing of this ATC.

EGJ:CRM:tdp

Originator: Charles R. Myhlhousen

Arizona Corporation Commission
DOCKETED

OCT 25 2006

DOCKETED BY	nr
-------------	----

TACNA WATER MANAGEMENT COMPANY

2993 S ARIZONA AVENUE YUMA, AZ 85365

PH 928-341-9885 FAX 928-341-0180

RECEIVED

June 30, 2006

RECEIVED

2006 JUN 30 P 3: 26

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

JUL 9 8 2006

AZ CORP COMM
Director Utilities

AZ CORP COMMISSION
DOCUMENT CONTROL

Re: Compliance Delinquencies to be filed on or before 6/30/2006, Request for time extension for approval to construct from ADEQ, Arizona Corporation Commission's 2005 annual report, and WIFA's loan document completion. DOCKET NO. W-01344A-05-0183, and DOCKET NO. W-01344A-05-0647.

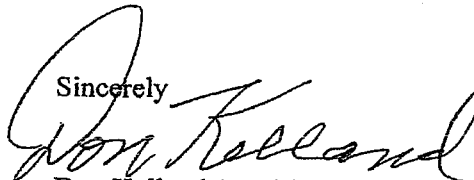
There are four Compliance Delinquencies that will be filed on or before 6/30/2006. Which are This letter of explanation, the refilling for Customer Notice of Rate Increase with new rate sheets, Curtailment Tariff, and Back Flow Prevention Tariff.

Tacna Water Management Company is requesting a time extension on ADEQ's Approval to Construct. We have submitted our engineering report to ADEQ. Our Engineering firm has informed me it could take up to four months to get approval. Attached is a letter from our engineering firm (Attachment A) with the reason for there delay. We are searching other sources to try and speed up the process. Any help in this matter would be appreciated.

Tacna Water Management Company is requesting a time extension for Arizona Corporation Commission's 2005 annual report. As per Procedural Order we must reconcile our taxes for the last three years as a corporation to correctly complete 2005's Annual Report and Financial Statement to complete WIFA's Requirements, Which we would also like to request a time extension.

An approval of the aforementioned time extensions would also affect the following Compliance Items. Filing of WIFA Financing Document's, Calculation of Revenue Requirement for Principal and Interest Obligation, and Arsenic Removal Surcharge Tariff. If you have any questions please contact Don Kelland at 928-246-3487. Thank you for your consideration.

Sincerely



Don Kelland, President



JAMES DAVEY AND ASSOCIATES
Consulting Civil Engineers • Water Resources Specialists

June 14, 2006

Don Kelland
Owner
Tacna Water Company
2993 S. Arizona Avenue
Yuma, AZ 85364

Subject: ADEQ Approval to Construct

Dear Don,

This letter is to inform you that Yuma County Environmental Health Department will not be able to conduct the review for Arizona Department of Environmental Quality. Originally I was told that Yuma County Environmental Health Department was able to do a review in 10 working days and obtain ADEQ Approval to Construct at that time.

As the documents were submitted for review to County Environmental Health Department, I was informed that even though County Environmental Health Department conducts reviews on behalf of ADEQ, they are not authorized to conduct reviews on Water Treatment Plants (specifically). It will be required that the review be conducted by ADEQ Engineering Review Desk. Due to the need of ADEQ Engineering Review Desk reviewing the submittal, it is now anticipated to take approximately four months before an Approval to Construct is obtained.

Please let me know if you have any questions or comments.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Eulogio Vera'.

Eulogio Vera, EIT